

STATE OF INDIANA)
) SS: IN THE MARION COUNTY SUPERIOR COURT
COUNTY OF MARION) CIVIL DIVISION
CAUSE NO. 49D07-9702-CT-0236

STATE OF INDIANA ex rel.)
JEFFREY A. MODISETT, ATTORNEY)
GENERAL OF INDIANA)

Plaintiff,)

v.)

PHILIP MORRIS TOBACCO)
COMPANY; R.J. REYNOLDS TOBACCO)
COMPANY; RJR NABISCO HOLDINGS)
CORP.; RJR NABISCO, INC.; THE)
AMERICAN TOBACCO COMPANY;)
LIGGETT & MYERS, INC.; LORILLARD)
TOBACCO COMPANY; UNITED)
STATES TOBACCO COMPANY;)
B.A.T. INDUSTRIES, PLC;)
BRITISH-AMERICAN TOBACCO)
COMPANY, LTD.; HILL &)
KNOWLTON, INC.; THE COUNCIL)
FOR TOBACCO RESEARCH-U.S.A.,)
INC.; AND TOBACCO INSTITUTE, INC.)

Defendants.)

FILED
FEB 02 2007
Charles A. White
CLERK OF THE MARION COUNTY COURT

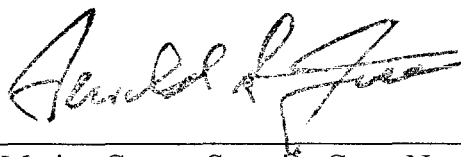
**ORDER ON DEFENDANTS' APPLICATION AND MOTION TO ENFORCE THE
ARBITRATION PROVISIONS OF THE MASTER SETTLEMENT AGREEMENT AND
COMPEL ARBITRATION**

This matter has come before the Court on the Motion of Defendants Philip Morris USA Inc., R.J. Reynolds Tobacco Company, and Lorillard Tobacco Company (the "Original Participating Manufacturers" or "OPM's") to enforce their rights to arbitration under the Master Settlement Agreement ("MSA"), which was part of the Consent Decree and Final Judgment filed in this matter on December 11, 1998.

(H.I.)

And the Court being duly advised and finding that the OPMs' Enforce the Arbitration Provisions of the Master Settlement Agreement and Compel Arbitration is meritorious and should be granted, it is hereby:

ORDERED, ADJUDGED AND DECREED that the OPM's Motion to Enforce the Arbitration Provisions of the Master Settlement Agreement and Compel Arbitration is hereby granted and Plaintiff is hereby compelled to arbitrate this dispute pursuant to Section XI(c) of the MSA.



Judge, Marion County Superior Court No. 7--

FEB 07 2007

Dated this _____ day of _____, 2007.

Copies to:

David O. Tittle
Kandi H. Kidde
Rafael A. Sanchez
BINGHAM MCHALE LLP
2700 Market Tower
10 West Market Street
Indianapolis, IN 46204

Thomas J. Costakis
Greg A. Small
KRIEG DEVAULT, LLP
One Indiana Square,
Suite 2800
Indianapolis, IN 46204

Penny P. Reid
Cecilia A. Silver
WEIL, GOTSHAL &
MANGES, LLP
767 Fifth Avenue
New York, NY 10153

Thomas J. Frederick
Kevin J. Narko
Luke A. Palese
WINSTON & STRAWN
35 West Wacker Drive
Chicago, IL 60601

Kenneth L. Chernof
Carl S. Nadler
Heller Ehrman, LLP
1717 Rhode Island Avenue
NW
Washington DC, 20036

Andrew R. McGaan
KIRKLAND & ELLIS LLP
200 East Randolph Drive
Chicago, IL 60601

Frederick W. Crow
James H. Young
YOUNG & YOUNG
128 North Delaware Street
Indianapolis, IN 46204

Lawrence J. Carcare II
Deputy Attorney General
OFFICE OF ATTORNEY
GENERAL
Indiana Government Center
South
402 West Washington
Street
Indianapolis, IN 46204

Steve Carter
Indiana Attorney General
OFFICE OF ATTORNEY
GENERAL
219 Statehouse
Indianapolis, IN 46204

Steve W. Berman
HAGENS & BERMAN
1301 Fifth Avenue, Suite
2929
Seattle, WA 98101

Edward W. Harris III
SOMMER & BARNARD
4000 Bank One Tower
111 Monument Circle
Indianapolis, IN 46244-
0363

John D. Walda
BARRETT & McNAGNY
215 East Berry Street
P. O. Box 2263
Fort Wayne, IN 46801-
2263

Don Barrett
BARRETT LAW OFFICES
404 Court Square North
P. O. Box 987
Lexington, MS 39095

Mark R. Waterfill
LEAGRE & BARNES
9100 Keystone Crossing,
Suite 800
Indianapolis, IN 46240

Richard Heimann
LIEFF, CABRASER,
HEIMANN &
BERNSTEIN
275 Battery Street, 30th
Floor
San Francisco, CA 94111

William W. Hurst
Samuel L. Jacobs
MITCHELL HURST
JACOBS & DICK
152 East Washington Street
Indianapolis, IN 46204-
3680

George M. Plews
PLEWS SHADLEY
RACHER & BRAUN
1346 North Delaware Street
Indianapolis, IN 46202

Steven C. Mitchell
HAGENS BERMAN &
MITCHELL
2425 East Camelback Road,
Suite 620
Phoenix, AZ 85016

James H. Ham, III
Ellen Boshkoff
BAKER & DANIELS
300 North Meridian Street,
Suite 2700
Indianapolis, IN 46204-
1786

Douglas J. Hill
Elizabeth H. Knotts
HILL FULWIDER
McDOWELL FUNK &
MATTHEWS
One Indiana Square,
Suite 2000
Indianapolis, IN 46204-
2031

Gary P. Price
Peter S. French
LEWIS & KAPPES, P.C.
Suite 1700, One American
Square
Box 82053
Indianapolis, IN 46282

James W. Riley
RILEY BENNETT &
EGLOFF
141 E. Washington Street
Fourth Floor
Indianapolis, IN 46204

Lee B. McTurnan
Jacqueline B. Ponder
McTURNAN & TURNER
2400 Market Tower
10 West Market Street
Indianapolis, IN 46204

Mark G. Cunha
Adam I. Stein
SIMPSON THACHER &
BARTLETT
425 Lexington Avenue
New York, NY 10017-
3954

Michael C. Lasky
DAVIS & GILBERT
1740 Broadway
New York, NY 10019

Thomas W. Withrow
LOCKE REYNOLDS LLP
201 N. Illinois Street #1000
P.O. Box 44961
Indianapolis, IN 46204-
0961

1099816